

Clemson University
Clemson, South Carolina

MINUTES

of the meeting of

THE CLEMSON UNIVERSITY
BOARD OF TRUSTEES

Held at the Wade Hampton Hotel
Columbia, South Carolina

September 21, 1966

The Board convened at 11:00 a.m. with the following members present: Messrs. Edgar A. Brown, President of the Board, presiding; Robert R. Coker, T. Kenneth Cribb, L. D. Holmes, Frank J. Jervey, E. Oswald Lightsey, Paul Quattlebaum, Jr., James C. Self, and Winchester Smith.

Others present were: Robert C. Edwards, M. A. Wilson and A. W. Rigsby, Secretary.

Item 1. Election of Life Trustee

The President of the Board of Trustees announced the election by the Life Members of the Board of Mr. Patrick N. Calhoun to fill the vacancy on the Board as a Life Trustee caused by the death of Mr. Robert M. Cooper. The election was had in accordance with the provisions of the Will of Thomas G. Clemson. Mr. Calhoun took his place on the Board as a member and participated in its deliberations and actions.

Item 2. Minutes of the Meeting of June 21, 1966

The minutes of the meeting of June 21, 1966, heretofore submitted by mail to all members of the Board of Trustees, were approved as submitted.

Item 3. Refunding of Housing Revenue Bonds and other Matters Relating Thereto

Statement: The Bond Attorney has prepared a resolution providing for the issuance of revenue bonds aggregating not to exceed \$10,470,000 to refund existing bonds, to meet costs of housing under construction, pay and retire outstanding revenue bonds, and provide for additional future issues of bonds.

Board Action: On motion of Mr. Robert R. Coker, seconded by Mr. Paul Quattlebaum, Jr., the following resolution was unanimously adopted with ten (10) members present and voting for adoption:

BE IT RESOLVED BY THE BOARD OF TRUSTEES
OF CLEMSON UNIVERSITY IN MEETING DULY ASSEMBLED:

ARTICLE I

FINDINGS OF FACT AND
INTENT OF RESOLUTION

Section 1.01

As an incident to the adoption of this Resolution (the RESOLUTION OF 1966) and the issuance of the bonds provided for herein, the Board of Trustees of Clemson University (the TRUSTEES) finds, as a fact, that each of the statements hereinafter set forth is in all respects true and correct:

1. Clemson University (CLEMSON) is a state institution of higher learning, owned and operated by the State of South Carolina, having been established pursuant to the authorizations of Act No. 166 of the General Assembly of the State of South Carolina for the year 1889, 20 Stats. At Large, Page 277.

2. CLEMSON is under the management and control of a Board of Trustees, comprised in the manner prescribed by Section 22-203, Code of Laws of South Carolina for 1962.

3. The general powers of the TRUSTEES are set forth in Article 1 of Chapter 5, Title 22, Code of Laws of South Carolina, 1962, and the specific powers by which the TRUSTEES adopt the RESOLUTION OF 1966 are set forth in Act No. 456 of the Acts of the General Assembly for the year 1961 (the ENABLING ACT), as afterwards amended by

subsequent enactments of the General Assembly of the State of South Carolina.

4. The TRUSTEES have been, from time to time, authorized and empowered by legislation duly enacted by the General Assembly of South Carolina to construct Student and Faculty Housing Facilities (the FACILITIES) and to finance the cost thereof through the issuance of bonds payable from the revenues derived from the FACILITIES.

5. As of the date of the adoption of the RESOLUTION OF 1966 the outstanding bonds of CLEMSON, for which the revenues of the FACILITIES are pledged, are set forth in a schedule attached hereto and incorporated herein as Exhibit A.

6. The ENABLING ACT authorizes the TRUSTEES to borrow Ten Million Dollars (\$10,000,000), plus such further sums as the TRUSTEES determine to borrow from time to time for the purpose of refunding all or any part of any revenue bonds of CLEMSON which shall be payable in whole or in part from the revenues also pledged to the payment of bonds issued pursuant to the provisions of Act No. 456 and which are outstanding on the occasion of such refunding. The ENABLING ACT further empowers the TRUSTEES to acquire such additional facilities as the TRUSTEES shall from time to time determine.

7. The large and constantly increasing enrollment at CLEMSON requires, at this time, that consideration be given to the financing of additional FACILITIES. Two dormitories, substantially completed, will require an outlay estimated to be One Million Three Hundred Thousand Dollars (\$1,300,000). A third dormitory, for which a construction contract has been let, will require an outlay of approximately Two Million Three Hundred Thousand Dollars (\$2,300,000). It is estimated that these dormitories will have a useful life of approximately 50 years.

8. Notwithstanding that dormitories and other facilities constructed with proceeds of revenue bonds heretofore issued by CLEMSON have been constructed in such fashion as to give them useful lives for 40 or 50-year periods, bonds issued to finance them were issued with relatively short maturities, thus necessitating higher rentals and charges than would have been imposed had the maturity schedule of the bonds extended over a greater period of time.

9. The TRUSTEES have given due consideration to the debt service requirements of bonds now outstanding and have concluded that in certain instances the refunding of such bonds would be desirable in order that the overall schedule of principal and interest payments of revenue bonds of CLEMSON to be outstanding will extend over a greater length of time, thus alleviating the necessity for imposing heavier rentals and charges upon those students who now, and in the immediate future will, utilize the FACILITIES.

Section 1.02

The TRUSTEES have further recognized the desirability of adopting a general resolution which would be the vehicle under which all bonds, both those initially authorized by the RESOLUTION OF 1966, and those hereafter to be issued by CLEMSON to provide funds for the construction of future FACILITIES, would be issued.

Section 1.03

The TRUSTEES have determined that it would be in the interest of CLEMSON if all bonds payable from the revenues of the FACILITIES be expressed to mature on July 1 in the years of their maturities and that all interest be paid semi-annually on the first days of January and July in the years in which interest falls due.

Section 1.04

Included in the issues now outstanding are \$2,670,000 of an original issue of \$4,000,000 Barracks Revenue Bonds of CLEMSON, dated September 1, 1954. These bonds mature in unequal annual installments on September 1 in the years 1967 to 1979, inclusive. These bonds bear interest at 3% and are held by the State Budget and Control Board of South Carolina, as Trustee of the South Carolina Retirement System (the STATE BOARD). While these bonds are expressed to mature on September 1 and have interest payable on March 1 and September 1, the STATE BOARD has indicated its willingness to accept refunding bonds which would mature on July 1, instead of September 1, in the amounts and in the years in which said bonds now mature and that interest thereon be paid on January 1 and July 1 of such years in lieu of March 1 and September 1.

Section 1.05

The TRUSTEES have further determined that if CLEMSON could raise approximately \$4,200,000 through a sale of refunding bonds, together with other funds now available, sufficient funds

would be on hand to retire all other outstanding bonds of CLEMSON, payable from the revenues of the FACILITIES.

Section 1.06

A Loan Agreement has been entered into between CLEMSON and the Department of Housing and Urban Development, an agency of the United States of America, by which that agency will submit a bid of 3% for an issue of \$1,300,000 of bonds and thus provide the funds required to meet the construction cost of the two dormitories now substantially completed.

Section 1.07

The TRUSTEES at this time must provide for the issuance, in the immediate future, of \$2,300,000 of bonds for the purpose of meeting the cost of constructing the third dormitory mentioned in paragraph 7 of Section 1.01, supra.

Section 1.08

The TRUSTEES have likewise determined that in order to meet future needs for additional FACILITIES, provision must be made for the issuance of additional bonds, on a parity with the several series immediately authorized by the RESOLUTION OF 1966, under conditions hereafter prescribed by the RESOLUTION OF 1966.

Section 1.09

Accordingly, the RESOLUTION OF 1966 is adopted as a vehicle pursuant to which BONDS may be issued, aggregating not exceeding \$10,470,000, for the purposes set forth in Section 1.10, infra, and pursuant to which ADDITIONAL BONDS may be issued to meet future needs for additional FACILITIES under the conditions prescribed by Article V.

Section 1.10

It is presently intended that BONDS be issued as four series as follows:

(1) Not exceeding \$2,670,000 of Student and Faculty Housing Revenue Bonds, Series A, which would refund, through the means of exchange, the now outstanding \$2,670,000 of bonds described in Section 1.04.

(2) Not exceeding \$4,200,000 of Student and Faculty Housing Revenue Bonds, Series B, which would provide funds, which, together with other funds on hand, would be used to meet the payment and retirement of all other revenue bonds of CLEMSON now outstanding which are payable from the ENTIRE REVENUES.

(3) Not exceeding \$1,300,000 of Student and Faculty Housing Revenue Bonds, Series C, the proceeds of

which would be used to meet the costs of the two dormitories now substantially completed; and
 (4) Not exceeding \$2,300,000 of Student and Faculty Housing Revenue Bonds, Series D, whose proceeds would be used to meet the payment of the costs of the dormitory now under construction.

HOWEVER, it is not intended to preclude the use of additional series, if it becomes desirable to market BONDS in such fashion; PROVIDED, ALWAYS, that the aggregate of BONDS shall not exceed \$10,470,000.

ARTICLE II

DEFINITIONS AND INTERPRETATIONS

Section 2.01

This resolution may hereafter be cited and is hereinafter sometimes referred to as the RESOLUTION OF 1966.

Section 2.02

In this RESOLUTION OF 1966, unless a different meaning clearly appears from the context:

(1) Articles, sections and paragraphs mentioned by number are the respective articles, sections and paragraphs of this RESOLUTION OF 1966 so numbered.

(2) ACCOUNTANT'S CERTIFICATE shall mean a certificate signed by an accountant or firm of accountants of recognized standing (who may be employees of the State of South Carolina), who regularly audit the books and accounts of CLEMSON selected by CLEMSON.

(3) ADDITIONAL BONDS shall mean any further bonds issued by CLEMSON, pursuant to the ENABLING ACT, or pursuant to some subsequently enacted legislative authorization, under conditions permitting such bonds to be on a parity with the BONDS.

(4) BONDHOLDER, or the term HOLDER, or any similar term, when used with reference to any of the BONDS or ADDITIONAL BONDS, shall mean any person who shall be the bearer of any unregistered BOND, or of any BOND registered to bearer, or the registered holder of any BOND which shall at the time be registered other than to bearer.

(5) BONDS shall mean any of the bonds initially authorized by the RESOLUTION OF 1966, notwithstanding that they consist of more than one series.

(6) CLEMSON shall mean Clemson University at Clemson, South Carolina.

(7) CORPORATE TRUSTEE shall mean the financial institution which shall be the Custodian of the DEBT SERVICE FUND and the DEBT SERVICE RESERVE FUND.

(8) DEBT SERVICE FUND shall mean the fund designed to meet the payment of the principal and interest of all BONDS and ADDITIONAL BONDS that may from time to time be outstanding.

(9) DEBT SERVICE RESERVE FUND shall mean the fund held by the CORPORATE TRUSTEE, intended to provide a reserve for the payment of BONDS and ADDITIONAL BONDS.

(10) ENABLING ACT shall mean Act No. 456 of the Acts of the General Assembly of the State of South Carolina for the year 1961, entitled "AN ACT TO AUTHORIZE THE BOARD OF TRUSTEES OF THE CLEMSON AGRICULTURAL COLLEGE OF SOUTH CAROLINA TO ACQUIRE ADDITIONAL STUDENT AND FACULTY HOUSING FACILITIES; TO EMPOWER THE BOARD OF TRUSTEES TO EFFECT LOANS FOR SUCH PURPOSES, THROUGH THE ISSUANCE OF REVENUE BONDS AND ALSO FOR THE PURPOSE OF REFUNDING OUTSTANDING BONDS PAYABLE FROM THE REVENUES DERIVED FROM STUDENT AND FACULTY HOUSING FACILITIES, THROUGH THE MEANS OF THE AUTHORIZATIONS OF THIS ACT; TO DEFINE THE PROCEDURE BY WHICH SUCH LOANS MAY BE EFFECTED AND THE COVENANTS AND UNDERTAKINGS TO SECURE THE LOANS; TO MAKE PROVISION FOR THE PAYMENT OF LOANS; AND TO DECLARE VALID CERTAIN BONDS HERETOFORE ISSUED FOR ANY OF SUCH PURPOSES," Approved the 29th day of March, 1961, as amended by Acts enacted at the 1966 Session of the General Assembly of the State of South Carolina, bearing Ratification Numbers R-924 and R-1174.

(11) ENTIRE REVENUES shall mean the entire rental revenues derived by CLEMSON from the FACILITIES.

(12) FACILITIES shall mean all dormitories existing on the campus at CLEMSON as of May 10, 1966; the one hundred faculty apartments and fifty married student apartments constructed with the proceeds of bonds issued pursuant to Act No. 1058 of 1950; the one hundred married student housing apartments constructed with the proceeds of bonds issued pursuant to Act No. 470 of 1957; all additional student and faculty housing facilities constructed with the proceeds of all revenue bonds heretofore issued pursuant to the ENABLING ACT, and all housing facilities constructed with the proceeds of BONDS or

ADDITIONAL BONDS, including, if the supplementary resolution providing for the issuance of ADDITIONAL BONDS of any particular series so provides, other types of facilities located in buildings providing housing facilities.

(13) FISCAL YEAR shall mean the period of twelve calendar months, beginning on July 1st of each year and ending with June 30th of the succeeding year.

(14) PAYING AGENT shall mean the bank or financial institution at which any principal or interest of the several series of BONDS authorized by the RESOLUTION OF 1966 shall be payable.

(15) STATE BOARD shall mean the State Budget and Control Board of the State of South Carolina, as Trustee of the funds of the South Carolina Retirement System.

(16) TRUSTEES shall mean the Board of Trustees of CLEMSON.

(17) Words importing persons include firms, associations and corporations.

(18) Words importing the redemption or redeeming or calling for redemption of a BOND do not include or connote the payment of such BOND at its stated maturity or the purchase of such BOND.

(19) Words importing the singular number include the plural number and vice versa.

ARTICLE III

ISSUANCE OF BONDS AND ADDITIONAL BONDS

Section 3.01

BONDS or ADDITIONAL BONDS to the extent authorized by the RESOLUTION OF 1966 may be issued from time to time by the adoption of a resolution expressed to be supplementary to the RESOLUTION OF 1966, and when so authorized and sold shall interest thereon be on a parity in all respects notwithstanding that they may bear different date, interest rate, number, date of execution or date of delivery.

Section 3.02

All BONDS or ADDITIONAL BONDS shall be expressed to mature on July 1 in the years wherein the same fall due and shall bear interest payable as of January 1 and July 1 in the years wherein interest becomes due.

Section 3.03

All BONDS and ADDITIONAL BONDS shall be issued in such series as the TRUSTEES shall from time to time prescribe. Each series shall be given a separate notation so as to distinguish the bonds of that series from the bonds of another series.

Section 3.04

BONDS and ADDITIONAL BONDS shall have such maturities and shall bear such rate or rates of interest as the TRUSTEES shall by resolution prescribe, except that the maturities of ADDITIONAL BONDS shall be arranged in conformity with the provisions of Paragraph 9 of Section 5.01.

Section 3.05

Both the principal and interest of BONDS and ADDITIONAL BONDS shall be payable in any coin or currency of the United States of America which is, at the time of payment, legal tender for the payment of public and private debts, at the PAYING AGENT designated in the Resolution of the TRUSTEES providing for the issuance of each particular series.

Section 3.06

If in the issuance of any BONDS or ADDITIONAL BONDS the TRUSTEES shall have reserved the right, at their option, to redeem the same prior to the stated maturity thereof, then in each such event the TRUSTEES shall give notice of such redemption by publication of a notice of redemption, describing the BONDS or ADDITIONAL BONDS to be redeemed and specifying the redemption date, at least once, not less than thirty days and not more than sixty days prior to the redemption date, in a financial journal printed in the English language and published in the Borough of Manhattan, City of New York, State of New York; PROVIDED, that the said published notice of redemption need not be given to the HOLDER of BONDS or ADDITIONAL BONDS outstanding in fully registered form, if notice in writing is given to such HOLDER not less than thirty days or more than sixty days prior to the date so fixed for redemption.

Interest on the BONDS or ADDITIONAL BONDS to be redeemed shall cease to accrue from and after the redemption date specified in such notice unless CLEMSON defaults in making due provision for the payment of the redemption price thereof.

Section 3.07

BONDS or ADDITIONAL BONDS when outstanding in coupon form shall be negotiable instruments, and shall be transferable by delivery except when registered as to principal in the name of the HOLDER at the office of the CORPORATE TRUSTEE, on registry books to be kept by the CORPORATE TRUSTEE on behalf of CLEMSON for such purpose. In each such instance such registration shall be noted on the reverse side of each bond, after which no transfer of such bond shall be valid unless made on said books by the registered HOLDER in person or by his duly authorized attorney, and similarly noted on the bond, but such bond may be discharged from such registration by being in like manner transferred to

bearer, after which it shall again be transferable by delivery, and may again and from time to time be registered or discharged from registration in the same manner. The registration of any BOND or ADDITIONAL BOND shall not affect the negotiability of the coupons appertaining thereto, which shall continue to be payable to bearer and transferable by delivery.

Section 3.08

CLEMSON, each PAYING AGENT, and the CORPORATE TRUSTEE may treat and consider the bearer of any coupon BOND or coupon ADDITIONAL BOND, which shall not at the time be registered as to principal other than to bearer, as the HOLDER and absolute owner thereof, whether such bond shall be overdue or not, for the purpose of receiving payment of the principal or redemption price thereof and for all other purposes whatsoever, except for the purpose of receiving payment of coupons, and neither CLEMSON, nor any PAYING AGENT, nor the CORPORATE TRUSTEE shall be affected by any notice to the contrary. CLEMSON, each PAYING AGENT, and the CORPORATE TRUSTEE may treat and consider the bearer of any coupon appurtenant to any coupon BOND or coupon ADDITIONAL BOND as the HOLDER and absolute owner thereof, whether such coupon or such bond shall be overdue or not, for the purpose of receiving payment thereof and for all other purposes whatsoever, and neither CLEMSON, nor any PAYING AGENT, nor the CORPORATE TRUSTEE shall be affected by any notice to the contrary. CLEMSON, each PAYING AGENT and the CORPORATE TRUSTEE may treat and consider the person in whose name any coupon BOND or coupon ADDITIONAL BOND for the time being shall be registered as to principal upon the books of the CORPORATE TRUSTEE as the HOLDER and absolute owner thereof, whether such bond shall be overdue or not, for the purpose of receiving payment of the principal or redemption price thereof and for all other purposes whatsoever, except for the purpose of receiving payment of coupons, and neither CLEMSON, nor any PAYING AGENT, nor the CORPORATE TRUSTEE shall be affected by any notice to the contrary; and payment of, or on account of, the principal or redemption price, if any, of such coupon BOND or coupon ADDITIONAL BOND shall be made only to, or upon the order of, such registered HOLDER thereof. All payments made as in this Section provided shall be valid and effectual to satisfy and discharge the liability upon the several bonds to the extent of the sum or sums so paid.

Section 3.09

All BONDS or ADDITIONAL BONDS, when issued in fully registered form, shall be transferable only by the registered HOLDER in person or by his attorney duly authorized; no transfer thereof shall become effective until the transfer shall be duly noted by the CORPORATE TRUSTEE in the Bond Register to be kept by the CORPORATE TRUSTEE and the transfer duly noted on the back of the registered bond. On the occasion of any transfer of any registered BOND or registered ADDITIONAL BOND, an appropriate notation, indicating the date to which interest has been paid, shall be entered in the Bond Register and on the back of the registered bond.

Section 3. 10

All BONDS and ADDITIONAL BONDS shall be executed in the name of CLEMSON by the manual or facsimile signature of the President of the TRUSTEES, under the Corporate Seal of CLEMSON which shall be impressed or reproduced thereon, and attested by the manual signature of the Secretary or Assistant Secretary of the TRUSTEES. Interest coupons on any BOND or ADDITIONAL BOND issued in coupon form shall be signed by the facsimile signatures of the President and the Secretary or Assistant Secretary. The facsimile signatures appearing on the coupons may be those of the President and the Secretary or Assistant Secretary who are in office on the date of the adoption of the Supplemental Resolution prescribed by Section 3. 01, supra, or on the occasion when such BONDS or ADDITIONAL BONDS are printed. The execution of the coupons in such fashion shall be valid and effectual, notwithstanding any subsequent change in the personnel of either of said offices. The BONDS or ADDITIONAL BONDS shall be executed by the persons holding office when the BONDS or ADDITIONAL BONDS are printed and are ready for delivery. Bonds executed in this fashion may be validly delivered notwithstanding that those who sign the bonds are different persons from those whose signatures appear on the coupons; PROVIDED, that no BOND or ADDITIONAL BOND issued in fully registered form shall be valid unless the certificate of authentication appearing on any BOND or ADDITIONAL BOND in fully registered form shall be duly executed by an authorized officer of the CORPORATE TRUSTEE.

Section 3. 11

BONDS or ADDITIONAL BONDS and the interest thereon shall be exempt from all State, County, Minicipal, School District, and all other taxes or assessments of the State of South Carolina, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, except inheritance, estate or transfer taxes. This provision shall be deemed a part of the contract insuring to the benefit of all HOLDERS or beneficiaries of BONDS or ADDITIONAL BONDS.

Section 3. 12

In case any BOND or ADDITIONAL BOND shall become mutilated in respect of the body of such bond or the coupons, if any, appertaining thereto, or shall be believed by the TRUSTEES to have been destroyed, stolen or lost, upon proof of ownership, satisfactory to the said TRUSTEES, and upon surrender of such mutilated BOND or ADDITIONAL BOND, with its coupons, if any, to the TRUSTEES, or upon receipt of evidence satisfactory to the TRUSTEES, of such

destruction, theft or loss, and upon receipt also of indemnity satisfactory to the TRUSTEES, and upon payment of all expenses incurred by the TRUSTEES for any investigation relating thereto, and all expenses incurred in connection with the issuance of any new bond under this Section, the President and the Secretary of the TRUSTEES shall execute and deliver a new bond of the same maturity, and for the same aggregate principal amount, with the coupons, if any, appertaining thereto, or like tenor and date, bearing the same number, with such notations as the TRUSTEES shall determine, in exchange and substitution for, and upon the cancellation of, the mutilated bond, its coupons, if any, or in lieu of and in substitution of the bond and coupons, if any, so lost, stolen or destroyed.

Section 3. 13

The principal of and interest on all BONDS and ADDITIONAL BONDS shall be payable from the ENTIRE REVENUES derived from the FACILITIES, and, for the payment of such principal and interest, such revenues shall be and are hereby irrevocably pledged. Such pledge shall be deemed discharged as to the revenues for any year, if all installments of principal and interest on all BONDS or ADDITIONAL BONDS then outstanding, matured or maturing in such year shall have been fully paid and discharged, and CLEMSON shall have made all other payments required of it by the RESOLUTION OF 1966, and shall not be in default as to any covenants made by the RESOLUTION OF 1966, and thereafter, such revenues remaining may be made use of for such other purposes as the TRUSTEES may, pursuant to applicable law, direct. The pledge herein made shall secure equally and ratably all BONDS and ADDITIONAL BONDS that at any time hereafter shall be outstanding.

Section 3. 14

Neither the faith and credit of the State of South Carolina nor of the TRUSTEES shall be pledged to the payment of said BONDS and ADDITIONAL BONDS, or the interest to become due thereon, and there shall be on the face of each BOND or ADDITIONAL BOND, a statement, plainly worded, to that effect. Neither the members of the TRUSTEES, nor any person required by the provisions of this resolution to sign the BONDS or ADDITIONAL BONDS shall be personally liable thereon.

Section 3. 15

The form of all BONDS and ADDITIONAL BONDS, when outstanding in either coupon form or registered form, shall be as prescribed by the Supplemental Resolution required by Section 3. 01, supra.

ARTICLE IVGENERAL COVENANT AS TO RATES AND CHARGESSection 4.01

The TRUSTEES covenant and agree to place into effect, to maintain and to revise from time to time, and as often as may be necessary, such schedule of rentals and charges for the FACILITIES, as shall at all times be sufficient (1) to pay the interest on and principal of the BONDS and any ADDITIONAL BONDS that may from time to time hereafter be outstanding, as and when the same become due and payable, (2) to provide such sums as may be necessary for the operation and maintenance of such FACILITIES in the manner required by the RESOLUTION OF 1966, and (3) to discharge such other and further obligations as shall have been incurred by CLEMSON under the RESOLUTION OF 1966.

The TRUSTEES further covenant and agree to promulgate and at all times maintain in effect, rules and regulations covering the use of the FACILITIES designed to require the maximum use thereof.

Section 4.02

In making the covenants and agreements set forth in Section 4.01 the TRUSTEES shall not be precluded from fixing rates, different from other rates, for any particular additional FACILITIES which may be constructed from the proceeds of any series of BONDS or ADDITIONAL BONDS.

ARTICLE VADDITIONAL BONDSSection 5.01

In addition to the BONDS initially authorized by the RESOLUTION OF 1966, the TRUSTEES specifically reserve the right to issue ADDITIONAL BONDS to such amount and for such purposes as the TRUSTEES, from time to time hereafter deem necessary and proper, including bonds issued pursuant to the ENABLING ACT and bonds issued pursuant to subsequently enacted legislative authorization, which, if issued under the conditions hereafter enumerated, shall be on a parity with the BONDS, notwithstanding that they may bear different date, interest rate, number, date of execution or date of delivery; and in such event, the pledge of the ENTIRE REVENUES made hereunder, the

statutory lien herein granted, and the covenants and remedies applicable to the HOLDERS of the BONDS shall be likewise applicable and available to the HOLDERS of such ADDITIONAL BONDS. But no ADDITIONAL BONDS shall be issued unless in full compliance with the conditions imposed by Paragraphs 1 through 9, infra, viz.:

1. The principal proceeds shall be used either
 - (a) to provide funds to refund BONDS or ADDITIONAL BONDS then outstanding; or
 - (b) to provide funds to pay the cost of constructing additional FACILITIES, or to renovate existing FACILITIES.
2. CLEMSON is on the occasion of the issuance of such ADDITIONAL BONDS in full compliance with all covenants and undertakings made by it in connection with the issuance of any bonds payable from the ENTIRE REVENUES.
3. The ENTIRE REVENUES for the FISCAL YEAR next preceding the FISCAL YEAR in which the ADDITIONAL BONDS shall be issued, as established by an ACCOUNTANT'S CERTIFICATE, shall be not less than one hundred thirty per centum (130%) of the highest combined principal and interest requirements of any succeeding year on all BONDS, on all ADDITIONAL BONDS then issued, and on all ADDITIONAL BONDS then proposed to be issued. The TRUSTEES, the PURCHASERS, all BONDHOLDERS and any purchasers of any ADDITIONAL BONDS shall be entitled to rely upon such ACCOUNTANT'S CERTIFICATE.
4. The "Annual Net Revenues" (which are hereby defined to mean the ENTIRE REVENUES, less the current expenses of operation and maintenance of the FACILITIES) for the FISCAL YEAR next preceding the FISCAL YEAR in which the ADDITIONAL BONDS shall be issued, as established by an ACCOUNTANT'S CERTIFICATE, shall be at least equal to one hundred thirty per centum (130%) of the average annual requirements for principal and interest on all BONDS and ADDITIONAL BONDS then outstanding (computed as an entirety and without regard to the composite average that would result if the average annual debt service of each Series were separately computed and then added together). Both the TRUSTEES and the purchasers of any ADDITIONAL BONDS shall be entitled to rely upon any such ACCOUNTANT'S CERTIFICATE.
5. If the proceeds of the ADDITIONAL BONDS shall be used to construct further FACILITIES, or to renovate existing FACILITIES, then in such event the estimated annual net revenues of the new facility or facilities so to be constructed, or the old facilities so to be renovated, when added to the estimated future annual net revenues of the then existing FACILITIES shall equal at least one hundred thirty per centum (130%) of the average annual debt service requirements for principal and interest on all BONDS, ADDITIONAL BONDS then

outstanding, and on the ADDITIONAL BONDS then proposed to be issued (computed as an entirety and without regard to the composite average that would result if the average annual debt service of each Series were separately computed and then added together).

In effecting the calculation required under this provision, it shall be assumed that the average annual debt service requirements for principal and interest on the ADDITIONAL BONDS then to be issued, result in equal annual payments, notwithstanding that the ADDITIONAL BONDS then to be issued, be issued as serial or term bonds. Such calculation of the estimated future net revenues of the FACILITIES to be constructed or to be renovated with the proceeds of the ADDITIONAL BONDS shall be predicated upon an assumed utilization of not more than ninety per centum (90%) of such FACILITIES so to be constructed or renovated. Each such computation of estimate shall be made by the Chief Financial Officer of CLEMSON and shall be approved by the TRUSTEES.

6. If ADDITIONAL BONDS are issued for the purpose of obtaining funds to effect the refunding of BONDS or ADDITIONAL BONDS then outstanding, such refunding shall result in CLEMSON obtaining a lower interest cost on the ADDITIONAL BONDS to be issued than that in effect on the bonds to be refunded, unless all such refunding bonds, issued at a higher rate of interest, shall be expressed to mature subsequent to the last maturing BONDS or ADDITIONAL BONDS then outstanding, and no right of redemption shall be given which would permit such refunding bonds to be called prior to the last maturing BONDS or ADDITIONAL BONDS then outstanding.

7. CLEMSON shall obtain an opinion from reputable counsel that the ADDITIONAL BONDS are being issued for purposes authorized by either the ENABLING ACT or for purposes permitted by the subsequently enacted legislation referred to, supra.

8. CLEMSON shall obtain an opinion from reputable counsel that the title to any tract of land to be acquired with any part of the proceeds of any ADDITIONAL BONDS shall be good and marketable, and will vest in CLEMSON either (a) an indefeasible fee simple title, or (b) an indefeasible leasehold estate, which shall extend at least five (5) years beyond the maturity date of the last maturing of the BONDS and the ADDITIONAL BONDS then to be outstanding.

9. The maturity schedule of each series of ADDITIONAL BONDS shall be so arranged that not more than five per cent (5%) of the aggregate principal amount of such series shall be expressed to mature in any year in which BONDS or ADDITIONAL BONDS

then outstanding are expressed to mature; but this 5% limitation on the amount of ADDITIONAL BONDS which may be expressed to mature in the years wherein BONDS and ADDITIONAL BONDS then outstanding do mature may be disregarded in any year whenever the aggregate of

BONDS then outstanding, maturing in such year,
ADDITIONAL BONDS then outstanding, maturing in such
year
and

ADDITIONAL BONDS to be outstanding, maturing in such
year does not exceed the then greatest annual aggregate of
BONDS then outstanding, maturing in such year, and
ADDITIONAL BONDS then outstanding, maturing in such year.

As an illustration of the intent and meaning of this exception, let it be assumed that in the year 1975 ADDITIONAL BONDS, Series X, in the principal amount of \$2,000,000, is proposed to be issued. At such time there are outstanding an aggregate of \$6,050,000 of BONDS and ADDITIONAL BONDS. The aggregate principal maturities of BONDS and ADDITIONAL BONDS are as follows:

\$430,000 on July 1 in the years 1976 to 1990, inclusive;
and

50,000 on July 1 in the year 1991.

Under these circumstances the maturities of the \$2,000,000 of ADDITIONAL BONDS, Series X, would be subject to the following limitations:

- (i) During the years 1976 to 1990, inclusive, not more than \$100,000 of ADDITIONAL BONDS, Series X, may be expressed to mature;
- (ii) In the year 1991, not more than \$350,000 of ADDITIONAL BONDS, Series X, may mature; and
- (iii) In the years 1992 and thereafter, there is no limitation on the amount of ADDITIONAL BONDS, Series X, that may be expressed to mature in such years.

PROVIDED further that the limitations upon the stated maturities of ADDITIONAL BONDS shall not affect in any way optional redemption provisions relating to such ADDITIONAL BONDS.

ARTICLE VI

ESTABLISHMENT OF FUNDS

Section 6.01

Effective on the occasion of the delivery of any BONDS, and continuing for so long a time as any sum remains due by way of principal or interest on any BONDS or ADDITIONAL BONDS,

the following funds established by the remaining sections of this Article shall be established and at all times maintained.

Section 6.02

There is hereby established a DEBT SERVICE FUND. This fund is intended to provide funds which shall be applicable and available for the payment of the principal and interest of all BONDS and ADDITIONAL BONDS that may at any time be outstanding. This fund shall at all times be kept on deposit with the CORPORATE TRUSTEE and shall be disbursed by the CORPORATE TRUSTEE to the PAYING AGENTS of the several series of BONDS and ADDITIONAL BONDS from time to time, but at least five (5) days before each interest or principal payment date, it being intended that moneys with which to meet the payment or principal or interest shall be delivered to, and shall be in the hands of, each PAYING AGENT not less than five (5) days before the date on which principal and interest installments of any BONDS or ADDITIONAL BONDS fall due.

To the extent practical, moneys in the DEBT SERVICE FUND shall be invested and reinvested in obligations of the United States or any agency thereof, having maturities consonant with the need for moneys, but in no event, longer than five (5) months from the date as of which any such investment shall be made.

All income earned from investments of the DEBT SERVICE FUND shall be transferred from time to time to the DEBT SERVICE RESERVE FUND.

Section 6.03

There is hereby established a DEBT SERVICE RESERVE FUND. This fund is intended to provide a cushion or reserve to meet the payment of installments of principal and interest of BONDS and ADDITIONAL BONDS falling due, but shall be resorted to only when funds in the DEBT SERVICE FUND are inadequate for such purpose.

The DEBT SERVICE RESERVE FUND shall be kept by the CORPORATE TRUSTEE and withdrawn only by the CORPORATE TRUSTEE. Except to remedy a deficiency in the DEBT SERVICE FUND, resort to the DEBT SERVICE RESERVE FUND shall be made only for the redemption and payment of all BONDS and ADDITIONAL BONDS at such time outstanding.

To the extent practical, moneys in the DEBT SERVICE RESERVE FUND shall be invested and reinvested in obligations of the United States or any agency thereof, having maturities consonant with the need for moneys, but in no event, longer than five (5) years from the date as of which any such investment shall be made. All income earned from investments of the DEBT SERVICE RESERVE FUND shall be added to and become a part of the DEBT SERVICE RESERVE FUND.

ARTICLE VIICOLLECTION AND DISPOSITION OF REVENUESSection 7.01

The ENTIRE REVENUES which CLEMSON shall derive from the FACILITIES shall be duly collected, segregated from other revenues of CLEMSON and kept on deposit with the State Treasurer or, at the option of the TRUSTEES, in a bank or banks selected by the TRUSTEES. Each such account shall be so entitled as to establish that it is a part of the ENTIRE REVENUES. The ENTIRE REVENUES shall be disposed of on a semi-annual basis. For the period beginning July 1 in each year dispositions shall be made of such revenues in the order of priority established by the numerical sequence of the subparagraphs of this Section, and no use of said revenues for any purpose shall be made unless and until the payments required by the prior paragraphs shall have been made:

1. On or before December 15 in each year there shall be paid to the CORPORATE TRUSTEE for deposit in the DEBT SERVICE FUND:

(a) the sum needed to discharge all installments of interest due on any BONDS or ADDITIONAL BONDS maturing on January 1 next ensuing;

(b) a sum equal to 50% of the aggregate principal payments to fall due on July 1 next ensuing on all BONDS and ADDITIONAL BONDS; and

(c) such sums, if any, as may be needed to discharge all past due installments of interest and all matured BONDS or ADDITIONAL BONDS then unpaid.

2. Unless the aggregate value of the cash and securities in the DEBT SERVICE RESERVE FUND shall equal or exceed the greater of

(i) \$600,000,

(ii) that sum which is 6% of the aggregate of the principal amount of BONDS and ADDITIONAL BONDS then outstanding, or

(iii) that sum which reflects the maximum annual debt service requirement of all BONDS and ADDITIONAL BONDS then outstanding,

there shall be remitted to the CORPORATE TRUSTEE, for deposit in the DEBT SERVICE RESERVE FUND, a sum equal to 7% of the aggregate of all payments made pursuant to sub-paragraphs (a) and (b) of paragraph 1, supra.

3. After meeting the requirements of paragraphs 1 and 2, supra, so much as shall be required shall be expended for the

maintenance and operation of the FACILITIES for the period ending December 31 of such calendar year.

4. If any balance remains after making the dispositions required by paragraphs 1 through 3, supra, such balance may, in the discretion of the TRUSTEES, be applied to the improvement, enlargement or extension of the FACILITIES, or to the payment of BONDS and ADDITIONAL BONDS then outstanding, or for any other lawful purpose.

Section 7.02

The revenues derived from the FACILITIES during the period beginning January 1 in each year shall be disposed of in the order of priority established by the numerical sequence of the sub-paragraphs of this Section, and no use of said revenues for any purpose shall be made unless and until the payments required by the prior paragraphs shall have been made:

1. On or before June 15 in each year there shall be paid to the CORPORATE TRUSTEE for deposit in the DEBT SERVICE FUND:

(a) the sum needed to discharge all installments of interest due on any BONDS or ADDITIONAL BONDS maturing on July 1 next ensuing;

(b) a sum equal to 50% of the aggregate principal payments to fall due on July 1 next ensuing, on all BONDS and ADDITIONAL BONDS; and

(c) such sums, if any, as may be needed to discharge installments of interest, all matured BONDS or ADDITIONAL BONDS then unpaid, and all further sums needed to effect the payment of all BONDS and ADDITIONAL BONDS maturing on July 1 next ensuing.

2. Unless the aggregate value of the cash and securities in the DEBT SERVICE RESERVE FUND shall equal or exceed the greater of

(i) \$600,000,

(ii) that sum which is 6% of the aggregate of the principal amount of BONDS and ADDITIONAL BONDS then outstanding, or

(iii) that sum which reflects the maximum annual debt service requirement of all BONDS and ADDITIONAL BONDS then outstanding,

there shall be remitted to the CORPORATE TRUSTEE, for deposit in the DEBT SERVICE RESERVE FUND, a sum equal to 7% of the aggregate of all payments made pursuant to sub-paragraphs (a) and (b) of paragraph 1 of Section 7.02, supra.

3. After meeting the requirements of paragraphs 1 and 2, supra, so much as shall be required shall be expended for the maintenance and operation of the FACILITIES for the period ending June 30 of such calendar year.

4. If any balance remains after making the dispositions required by paragraphs 1 through 3, supra, such balance may, in the discretion of the TRUSTEES, be applied to the improvement, enlargement or extension of the FACILITIES, or to the payment of BONDS and ADDITIONAL BONDS then outstanding, or for any other lawful purpose.

ARTICLE VIII

OPERATION OF FACILITIES

Section 8.01

The TRUSTEES covenant and agree:

1. To maintain at all times the FACILITIES in good repair and working order, to furnish and equip such FACILITIES to the extent which is customary, and to apply so much of the ENTIRE REVENUES, whose expenditures they control pursuant to the provisions of paragraph 3 of Section 7.01 and paragraph 3 of Section 7.02, supra, to the extent necessary to such operation and maintenance.

2. To collect and recover the ENTIRE REVENUES promptly, with dispatch, in businesslike fashion, and to make dispositions of the same as provided for in the RESOLUTION OF 1966.

3. That not later than thirty (30) days prior to the beginning of each FISCAL YEAR, they will cause to be prepared a budget for the operation of the FACILITIES for the next ensuing FISCAL YEAR (which may be a part of the general budget of CLEMSON), which shall reflect all sums which the TRUSTEES intend to spend or dispose of for such FACILITIES during such FISCAL YEAR. Such expenditures shall be detailed in accordance with good accounting practice, and shall set forth:

- (a) all sums intended to be expended for operation, including the costs of administrative, clerical and accounting services, the cost of maintaining and insuring the FACILITIES, and of such fidelity bonds, as may be required by the RESOLUTION OF 1966;
- (b) all sums intended for repairs; and
- (c) all sums intended for improvements.

Such budget shall be adopted and approved by the TRUSTEES by resolution, and copies thereof shall be made available to any BONDHOLDER requesting the same. Provided that the provisions of this paragraph 3 shall not preclude revisions of the budget.

ARTICLE IXAGREEMENT TO FURNISH INFORMATIONSection 9.01

The TRUSTEES recognize that those who may from time to time hereafter, be the HOLDERS of the BONDS or ADDITIONAL BONDS will, throughout the life of the BONDS or ADDITIONAL BONDS, require full information, fully particularized, with respect to the FACILITIES, the cost of operating and maintaining the same, and the receipts, rentals, and revenues therefrom. To that end, they especially covenant and agree:

1. That they will keep proper books of record and accounts, in which complete and correct entries shall be made of all transactions relating to the FACILITIES, all revenues and receipts derived therefrom, directly or indirectly, and all expenditures therefrom which may be made in connection with the said FACILITIES. Such records shall be kept in such fashion as to clearly present an adequate picture of the operation of the FACILITIES and to enable those who audit such books of record and accounts to readily ascertain the annual net revenues, as such term is defined in paragraphs 4 and 5 of Section 5.01.

2. That as soon after the close of each FISCAL YEAR as possible, they will cause an audit to be made of the records of the said FACILITIES, which may be a part of the general audit of the affairs of CLEMSON. A copy of such audit, accompanied by an ACCOUNTANT'S CERTIFICATE of accuracy shall be forwarded to the CORPORATE TRUSTEE, and other copies made available to every BONDHOLDER who shall have signified in writing to the TRUSTEES his desire to obtain copies of such audit.

ARTICLE XADDITIONAL COVENANTSSection 10.01

The TRUSTEES further covenant and agree:

1. That no part of the FACILITIES, nor the ENTIRE REVENUES has been hypothecated, mortgaged, otherwise pledged or encumbered, save and except as herein recited or provided for, and that prior to the delivery of any BONDS pursuant to the RESOLUTION OF 1966, provision will be made for the payment and redemption of all presently outstanding bonds which have a claim to the revenues of the FACILITIES.

2. That they will permit no free use to be made of any of the FACILITIES.

3. That so long as any BONDS or ADDITIONAL BONDS be outstanding and unpaid, they will perform all duties with respect to the said FACILITIES, required by the ENABLING ACT and the RESOLUTION OF 1966.

4. That they will not pledge, mortgage, encumber or permit to be encumbered, the said FACILITIES, or the ENTIRE REVENUES, or any portion thereof, except as provided for by the provisions of the RESOLUTION OF 1966.

5. That they will not in any FISCAL YEAR sell or dispose of any substantial part of the said FACILITIES unless all BONDS and all ADDITIONAL BONDS then outstanding shall have been paid in full, or unless and until provision shall have been made for the payment of all BONDS and ADDITIONAL BONDS then outstanding in full. (For the purposes of this paragraph, the term "substantial part" shall mean any facility, or part or portion thereof, which shall have produced as much as five per centum (5%) of the ENTIRE REVENUES for the preceding FISCAL YEAR). But the TRUSTEES may, in any FISCAL YEAR, sell, dispose of, or raze parts or portions of said FACILITIES which do not constitute a substantial part thereof. And, if, pursuant to this provision any FACILITIES shall be sold, then the TRUSTEES shall be required to:

(a) expend so much of such proceeds of sale as may be necessary for the acquisition of additional FACILITIES; or

(b) remit such proceeds, or so much thereof as shall remain therefrom, if the additional facilities have been acquired at a lesser cost, to the CORPORATE TRUSTEE, who shall hold the same in a special fund, separate and distinct from all other funds heretofore established by the RESOLUTION OF 1966, and shall be used by him solely for the redemption of bonds payable from the ENTIRE REVENUES.

6. That they will keep the buildings which constitute the FACILITIES, and all furniture, furnishings, apparatus, and equipment thereof, continuously insured under fire, windstorm and extended coverage policies, in an amount at least equal to the face amount of all BONDS or ADDITIONAL BONDS outstanding; PROVIDED, ALWAYS, that in case the amount of such outstanding BONDS and ADDITIONAL BONDS shall be greater than the insurable value of the said FACILITIES, then the TRUSTEES shall insure the FACILITIES to the extent of their insurable value. In case of loss, the proceeds of such insurance shall be applied to repair or to restore such FACILITIES, or the contents thereof,

to their former condition, or in such manner as will make the FACILITIES usable. If funds received from said insurance policies or from any other source by reason of such loss shall be insufficient to accomplish the foregoing, then and in such event, the TRUSTEES shall either:

(a) expend such proceeds for the acquisition of additional FACILITIES; or

(b) remit such proceeds, or so much thereof as shall remain therefrom, if additional facilities have been acquired at a lesser cost, to the CORPORATE TRUSTEE, who shall hold the same in a special fund, separate and distinct from all other funds heretofore established by the RESOLUTION OF 1966, and shall be used by him solely for the redemption of bonds payable from the ENTIRE REVENUES.

7. That they will secure adequate fidelity bonds, covering all persons handling moneys of the FACILITIES, other than the CORPORATE TRUSTEE and the PAYING AGENT.

8. That all moneys received by the TRUSTEES as a consequence of any defalcation, covered by any fidelity bond, shall be treated as a part of the revenues derived from the FACILITIES, and disposed of as provided by ARTICLE VII, supra.

9. That all insurance policies will be open to the inspection of the BOND HOLDERS at all reasonable times.

10. That they will permit, at all reasonable times, so long as any bonds payable from the ENTIRE REVENUES are outstanding and unpaid, and funds are not available for the payment thereof, BONDHOLDERS to inspect the FACILITIES, and all records and accounts thereof.

ARTICLE XI

CORPORATE TRUSTEE AND ITS FUNCTIONS

Section 11.01

Prior to the delivery of the BONDS, a banking institution doing business in South Carolina and operating a trust department, shall be appointed as CORPORATE TRUSTEE.

Section 11.02

The CORPORATE TRUSTEE shall have the following functions:

- (1) To act as custodian of the DEBT SERVICE FUND;
- (2) To act as custodian of the DEBT SERVICE RESERVE FUND;

- (3) To invest and reinvest the principal proceeds of any BONDS or ADDITIONAL BONDS, whose proceeds are intended to construct or renovate FACILITIES in such manner as may be prescribed in the supplemental proceedings for the issuance of bonds of such series;
- (4) To act as Registrar of all BONDS and ADDITIONAL BONDS, and to maintain a set of registration books therefor, which shall at all times accurately reflect the names and addresses of all those who may be registered HOLDERS of any BONDS or ADDITIONAL BONDS; and
- (5) To make semi-annual reports to the TRUSTEES
 - (a) establishing balances on hand,
 - (b) listing investments made for any fund handled by the CORPORATE TRUSTEE; and
 - (c) listing all securities, if any, pledged pursuant to Section 11.13.

Section 11.03

It shall be the further duty of the CORPORATE TRUSTEE to give written notice to the TRUSTEES on or before each December 16 and each June 16, if there is any deficiency in the DEBT SERVICE FUND which would result in a need for further moneys to meet the payment of interest and/or principal falling due on January 1 and July 1 next ensuing, and the extent to which resort must be had to the DEBT SERVICE RESERVE FUND to meet such deficiency.

Section 11.04

Prior to the delivery of any BONDS, the CORPORATE TRUSTEE appointed pursuant to Section 11.01 shall signify its acceptance of the powers, duties and obligations conferred and imposed upon it by the RESOLUTION OF 1966, by executing and delivering to the TRUSTEES a written acceptance thereof.

Section 11.05

The recitals of fact made in the RESOLUTION OF 1966 and in the BONDS shall be taken as statements of the TRUSTEES, and the CORPORATE TRUSTEE shall not be deemed to have made any representation as to the correctness of the same, nor shall the CORPORATE TRUSTEE be deemed to have made any representation whatsoever as to the validity or sufficiency of the RESOLUTION OF 1966 or of the bonds issued hereunder, or the coupons appertaining thereto. Nor shall the CORPORATE TRUSTEE be under responsibility or duty with respect to the issuance of said BONDS, or the application of the proceeds thereof, except to the extent provided for herein. Nor shall the CORPORATE TRUSTEE be liable in connection with the performance of its duties hereunder, except for its own negligence or default.

Section 11.06

The CORPORATE TRUSTEE shall at all times be protected in acting upon any notice, resolution, request, consent, order, certificate, statement, opinion, bond, coupon, or other paper or document believed to be genuine and to have been signed by the proper party or parties.

Section 11.07

The CORPORATE TRUSTEE may at any time resign and be discharged of its duties and obligations hereunder by giving to the TRUSTEES written notice of such resignation, specifying a date (not later than 60 days after such notice) when such resignation shall take effect, and by publication of a copy of such notice at least once prior to such date in a financial journal published in the City of New York, such publication to be not less than 30 days prior to such date. Such resignation shall take effect upon the date specified in such notice unless previously a successor shall have been appointed as hereinafter provided, in which event such resignation shall take effect immediately upon the appointment and qualification of such successor.

Section 11.08

(1) The CORPORATE TRUSTEE may be removed at any time by any court of competent jurisdiction upon application therefor made on behalf of not less than 50% of the principal amount of BONDS and ADDITIONAL BONDS at such time outstanding.

(2) The CORPORATE TRUSTEE may likewise be removed at any time by the TRUSTEES with the consent and approval of not less than 50% of the principal amount of the BONDS and ADDITIONAL BONDS at such time outstanding.

Section 11.09

In case at any time the CORPORATE TRUSTEE shall resign, or be removed or become incapable of acting, or be adjudged a bankrupt or insolvent, or a receiver of its property shall be appointed, or any public officer shall take charge or control of its property or affairs, a successor thereto shall be promptly appointed by a resolution of the TRUSTEES duly adopted. Such successor shall in all instances be a bank duly chartered pursuant to the laws of the United States or of the State of South Carolina, and shall have a combined working capital and surplus of not less than \$2,000,000.

Immediately following such appointment the TRUSTEES shall give written notice of such appointment to the PAYING AGENT and shall promptly publish notice thereof, at least once in a financial journal published in the City of New York.

Section 11.10

If, in a proper case, no appointment of a successor CORPORATE TRUSTEE shall be promptly made pursuant to Section 11.09, any BONDHOLDER may make application to any court of competent jurisdiction for the appointment of a successor and said court may thereupon, after such notice, if any, as such court may prescribe, appoint a successor.

Section 11.11

Any successor CORPORATE TRUSTEE appointed hereunder shall execute and deliver to its predecessor and to the TRUSTEES a written acceptance of such appointment, and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of its predecessor hereunder with like effect as if originally named as such CORPORATE TRUSTEE, and its predecessor shall be obligated to pay over, transfer, assign and deliver all moneys, securities and other property held by it to its successor, and on the written request of the TRUSTEES, or the successor, shall execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may be reasonably required for the vesting and confirming in such successor all the right, title and interest of the predecessor in and to any property held by it.

Section 11.12

Any bank into which the CORPORATE TRUSTEE may be merged, or with which it may be consolidated, or any bank resulting from any merger or consolidation to which it shall be a party, or any bank to which the CORPORATE TRUSTEE may sell or transfer all or substantially all of its business, shall become the successor without the execution or filing of any paper or the performance of any further act; PROVIDED, ALWAYS, that if the TRUSTEES shall be dissatisfied with the institution resulting from the merger, consolidation or other action spoken of above, then the TRUSTEES may at any time within thirty days after such action name a new CORPORATE TRUSTEE (with the qualifications prescribed by Section 11.09) in lieu of the CORPORATE TRUSTEE then acting.

Section 11.13

Unless the same be secured as trust funds in the manner provided by Section 9.10 of Regulation 9 issued by the Comptroller of the Currency of the United States of America (12 CFR 9), all funds in the custody of the CORPORATE TRUSTEE, in excess of the amount of such deposit insured by the Federal Deposit Insurance Corporation, shall be secured and kept secured by direct obligations of the United States of a market value at least equal to the sum on deposit and not insured as aforesaid by the Federal Deposit Insurance Corporation.

Section 11.14

All securities which shall be given to secure any fund as required by the provisions of this Article, shall be placed in the custody of a duly chartered bank, other than the CORPORATE TRUSTEE, which is a member of the Federal Deposit Insurance Corporation. Such other bank shall have a combined working capital and surplus of not less than One Million Dollars.

ARTICLE XIIAPPOINTMENT OF PAYING AGENTSSection 12.01

Prior to the delivery of any series of BONDS or ADDITIONAL BONDS, a PAYING AGENT (which may be one or more financial institutions approved by the TRUSTEES) shall be appointed for such series.

In the event the PAYING AGENT shall resign, or be removed or become incapable of acting, or be adjudged a bankrupt or insolvent, or a receiver of its property shall be appointed, or any public officer shall take charge or control of its property or affairs, a successor thereto shall be promptly appointed by resolution of the TRUSTEES duly adopted. Such successor shall in all instances be a bank duly chartered pursuant to the laws of the United States or of the State of South Carolina and shall have a combined working capital and surplus of not less than Five Million Dollars. Immediately following such appointment, the TRUSTEES shall promptly publish notice of the same, at least twice with an interval of not less than seven days between publications, in a financial journal published in the City of New York.

If, in a proper case, no appointment of a successor PAYING AGENT shall be promptly made pursuant to this ARTICLE, any BONDHOLDER may make application to any court of competent jurisdiction for the appointment of a successor and said court may thereupon, after such notice, if any, as such court may prescribe, appoint a successor PAYING AGENT.

ARTICLE XIIIDISPOSITION OF PAID BONDS, ADDITIONAL BONDS AND COUPONSSection 13.01

It shall be the duty of the PAYING AGENT to cancel all BONDS and ADDITIONAL BONDS which shall have been paid, whether upon their maturity or redemption prior to maturity, all coupons that

have been paid, and all unmatured coupons on BONDS and ADDITIONAL BONDS redeemed prior to their stated maturities; such cancellation shall be done in such fashion as to render such BONDS, ADDITIONAL BONDS or coupons incapable of further negotiation or hypothecation. Whenever so requested by the TRUSTEES, the PAYING AGENT shall cause the destruction of such bonds and coupons by cremation. In any event it shall furnish appropriate certificates to the TRUSTEES indicating the disposition of such bonds and coupons.

ARTICLE XIV

STATUTORY LIEN AND RECEIVER

Section 14.01

For the further protection of the HOLDERS of BONDS and ADDITIONAL BONDS, a statutory lien upon the FACILITIES is hereby created and granted as provided in the ENABLING ACT, which said statutory lien is hereby recognized as valid and binding upon CLEMSON, the TRUSTEES and said FACILITIES, and shall take effect immediately upon the delivery of any BONDS.

Section 14.02

If there be any default in the payment of the principal of or interest on any BONDS or ADDITIONAL BONDS outstanding, any court having jurisdiction in any proper action may appoint a receiver to administer and operate the said FACILITIES, with power to fix rentals and charges for the said FACILITIES, sufficient to provide for the payment of such bonds and the interest thereon, and for the payment of the expenses of operating and maintaining such FACILITIES, and to apply the income and revenues of such FACILITIES to the payment of such bonds and the interest thereon.

ARTICLE XV

MODIFICATION BY CLEMSON OF RESOLUTION OF 1966

Section 15.01

For any one or more of the following purposes and at any time or from time to time, a resolution of the TRUSTEES supplementing the RESOLUTION OF 1966 may be adopted which resolution shall be fully effective in accordance with its terms:

1. To close the RESOLUTION OF 1966 against, or provide limitations and restrictions in addition to, the limitations and restrictions contained in the RESOLUTION OF 1966 on the issuance, in the future, of ADDITIONAL BONDS.
2. To add to the covenants and agreements of the TRUSTEES in the RESOLUTION OF 1966, other covenants

and agreements thereafter to be observed relative to the acquisition, construction, operation, maintenance, reconstruction or administration of all or any part of the FACILITIES or relative to the application, custody, use and disposition of the proceeds of any ADDITIONAL BONDS.

3. To surrender any right, power or privilege reserved to or conferred upon the TRUSTEES or CLEMSON by the RESOLUTION OF 1966.

4. To authorize the issuance of BONDS or ADDITIONAL BONDS pursuant to or in conformity with the RESOLUTION OF 1966.

5. To cure, correct or remove any ambiguity or inconsistent provisions contained in the RESOLUTION OF 1966.

ARTICLE XVI

MODIFICATION OF RESOLUTION OF 1966 WITH APPROVAL OF BONDHOLDERS

Section 16.01

The rights and duties of the TRUSTEES and the BONDHOLDERS, and the terms and provisions of the RESOLUTION OF 1966, may be modified or altered in any respect by resolution of the TRUSTEES with the consent of the HOLDER or HOLDERS of seventy-five per centum (75%) in principal amount of the BONDS and ADDITIONAL BONDS then outstanding, such consent to be evidenced by an instrument or instruments executed by the HOLDERS thereof and duly acknowledged or provided in the manner of a deed to be recorded, and such instrument or instruments shall be filed with the TRUSTEES and the PAYING AGENT, but no such modification or alteration shall:

1. Extend the maturity of any payment of principal or interest due upon BONDS or ADDITIONAL BONDS; PROVIDED, ALWAYS, that the provision of this covenant shall not affect the right of CLEMSON to issue refunding bonds payable from the ENTIRE REVENUES, if such refunding bonds be issued in conformity with the provisions of ARTICLE V.

2. Effect a reduction in the amount which CLEMSON is required to pay by way of principal, interest or redemption premium.

3. Effect a change as to the type of currency in which CLEMSON is obligated to effect payment of the principal, interest and redemption premiums of any BONDS or ADDITIONAL BONDS;

4. Permit the creation of a lien on the revenues of the FACILITIES prior to or equal to the BONDS or ADDITIONAL BONDS, except as authorized by the RESOLUTION OF 1966.
5. Permit preference or priority of any BONDS or ADDITIONAL BONDS to others;
6. Alter or modify the provisions of ARTICLE VII, or
7. Reduce the percentage of BONDS or ADDITIONAL BONDS required for the written consent to any modification or alteration of the provisions of the RESOLUTION OF 1966.

ARTICLE XVII

EVENTS OF DEFAULT

Section 17.01

Each of the following events is hereby declared an

"Event of Default," that is to say, if:

1. Payment of the principal of any of the BONDS or ADDITIONAL BONDS shall not be made when the same shall become due and payable, either at its stated maturity or by proceedings for redemption; or
2. Payment of any installment of interest shall not be made when the same becomes due or payable, or within thirty days thereafter; or
3. The TRUSTEES shall, for any reason, be rendered incapable of fulfilling their obligations hereunder; or
4. An Order or Decree shall be entered, with the consent or acquiescence of the TRUSTEES, appointing a Receiver, or Receivers, of the FACILITIES, or of the revenues thereof, or any proceedings shall be instituted, with the consent or acquiescence of the TRUSTEES, for the purpose of effecting a composition between CLEMSON and its creditors, or for the purpose of adjusting claims of such creditors, pursuant to any Federal or State statute now or hereafter enacted, or if such Order or Decree, having been entered without the consent and acquiescence of the TRUSTEES, shall not be vacated or discharged or stayed on appeal within sixty (60) days after entry thereof, or if such proceedings, having been instituted without the consent or acquiescence of the TRUSTEES, shall not be withdrawn or any orders entered shall not be vacated, discharged or stayed on appeal within sixty (60) days after the institution of such proceedings, or the entry of such orders; or

5. The TRUSTEES shall make a default in the due and punctual performance of any of the covenants, conditions, agreements or provisions contained in the BONDS or ADDITIONAL BONDS, or the RESOLUTION OF 1966, and such default shall continue for thirty (30) days after written notice, specifying such default and requiring same to be remedied, shall have been given to the TRUSTEES by any BONDHOLDER.

ARTICLE XVIII

REMEDIES

Section 18.01

If CLEMSON shall be adjudged in default as to the payment of any installment of principal or interest upon any BONDS, or any ADDITIONAL BONDS, or if it shall be adjudged in default as to the performance of any covenant or undertaking made by it, then, and in every such case, the HOLDERS of not less than fifteen per centum (15%) in principal amount of the BONDS and ADDITIONAL BONDS then outstanding may, by notice in writing to CLEMSON, declare the principal of all BONDS and ADDITIONAL BONDS then outstanding (if not then due and payable) to be due and payable immediately, and upon such declaration the same shall become due and be immediately due and payable, anything herein contained to the contrary notwithstanding; PROVIDED, HOWEVER, that if at any time after the principal of the BONDS and ADDITIONAL BONDS shall have been so declared to be due and payable, all arrears of interest, if any, upon all the BONDS and ADDITIONAL BONDS then outstanding, and all other indebtedness secured hereby (except the principal of any BONDS or ADDITIONAL BONDS not then due by their terms, and interest accrued on such BONDS and ADDITIONAL BONDS since the last interest payment date) shall have been paid, or shall have been provided for by deposit with the PAYING AGENT of a sum sufficient to pay the same, and every other default in the observance or performance of any covenant, condition or agreement in the BONDS and ADDITIONAL BONDS, or herein contained, shall be made good, or provision therefor satisfactory to the HOLDERS of such BONDS and ADDITIONAL BONDS shall have been made, then and in every such case, the HOLDERS of not less than fifteen per centum (15%) in principal amount of the BONDS and ADDITIONAL BONDS then outstanding may, by written notice to CLEMSON, rescind and annul such declaration and its consequences, but no such rescission or annulment shall extend to or affect any subsequent default or impair any right consequent thereto.

Section 18.02

Upon the happening and continuance of any event of default, as provided in ARTICLE XVII, then and in every such case, any BONDHOLDER may proceed, subject to the provisions of Section 18.04 of this ARTICLE, to protect and enforce the rights of the BONDHOLDERS hereunder by a suit, action or special proceeding in equity, or at law, either for the appointment of a Receiver of the FACILITIES, as authorized by the RESOLUTION OF 1966 or for the specific performance of any covenant or agreement contained herein or in aid or execution of any power herein granted, or for the enforcement of any proper legal or equitable remedy as such BONDHOLDER shall deem most effectual to protect and enforce the rights aforesaid, insofar as such may be authorized by law.

Section 18.03

In case any proceeding taken by any BONDHOLDER on account of any default shall have been discontinued or abandoned for any reason, or shall have been determined adversely to such BONDHOLDER, then and in every such case CLEMSON and the BONDHOLDERS shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the BONDHOLDERS shall continue as though no such proceeding had been taken.

Section 18.04

No one, or more, BONDHOLDERS secured hereby shall have any right in any manner whatever by his or their action to affect, disturb, or prejudice the security granted and provided for herein, or to enforce any right hereunder, except in the manner herein provided, and all proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all HOLDERS of such BONDS, ADDITIONAL BONDS and coupons.

Section 18.05

No remedy conferred herein is intended to be exclusive of any other remedy or remedies, and each and every such remedy or remedies, shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity, or by statute.

Section 18.06

No delay or omission of any BONDHOLDER to exercise any right or power accruing upon any default occurring and continuing as aforesaid, shall impair any such default or be construed as an acquiescence therein; and every power and remedy given by this ARTICLE to the BONDHOLDERS, respectively, may be exercised from time to time and as often as may be deemed expedient.

ARTICLE XIXDISPOSITION OF PROCEEDS OF SALE OF
BONDS OR ADDITIONAL BONDSSection 19.01

Whenever BONDS or ADDITIONAL BONDS have been issued pursuant to the RESOLUTION OF 1966, their proceeds shall be disposed of in the manner prescribed by the resolution supplementing the RESOLUTION OF 1966, but in all events any accrued interest received at the sale of any BONDS or ADDITIONAL BONDS shall be deposited in the DEBT SERVICE FUND, and any premium received from the sale of BONDS or ADDITIONAL BONDS shall be deposited in the DEBT SERVICE RESERVE FUND.

ARTICLE XXMETHOD OF DETERMINING BONDHOLDERS
OR ADDITIONAL BONDHOLDERSSection 20.01

Whenever it shall become necessary to determine whether any number of those who may be the HOLDERS of BONDS or ADDITIONAL BONDS have taken any action required or permitted of them by any provision of the RESOLUTION OF 1966, and it shall thus become necessary to determine who shall be the HOLDERS of BONDS or ADDITIONAL BONDS, the person, firm, agency or court required to make the determination shall have, and are hereby granted, the power to make, and, from time to time, to vary such regulations as it shall think proper for the deposit of BONDS or ADDITIONAL BONDS with, or exhibit of BONDS or ADDITIONAL BONDS to, any banks, bankers, trust companies or other depositories, wherever situated, and for the issue by them to the persons depositing or exhibiting such BONDS or ADDITIONAL BONDS, of certificates which shall constitute proof of ownership. Registered HOLDERS of BONDS or ADDITIONAL BONDS duly registered in the names of such HOLDERS by the CORPORATE TRUSTEE need not deposit nor exhibit their BONDS or ADDITIONAL BONDS, but reliance may be had upon said registry books to determine who are the registered HOLDERS of such BONDS or ADDITIONAL BONDS.

ARTICLE XXIDEFEASANCESection 21.01

If all of the BONDS and ADDITIONAL BONDS, and coupons

representing interest thereon, issued pursuant to the RESOLUTION OF 1966 and all resolutions amendatory or supplemental thereto, shall have been paid and discharged, then the obligations of CLEMSON under the RESOLUTION OF 1966, the pledge of revenues made thereby, and all other rights granted thereby shall cease and determine. BONDS, ADDITIONAL BONDS and coupons shall be deemed to have been paid and discharged within the meaning of this ARTICLE under each of the following circumstances, viz.:

(1) The PAYING AGENT shall hold, at the stated maturities of the BONDS, ADDITIONAL BONDS and coupons, in trust and irrevocably appropriated thereto, sufficient moneys for the payment thereof; or

(2) If default in the payment of the principal of such BONDS, ADDITIONAL BONDS, or the interest thereon, shall have occurred on the stated maturities of such BONDS, ADDITIONAL BONDS, or coupons, and thereafter tender of such payment shall have been made, and the PAYING AGENT shall hold in trust for and irrevocably appropriated thereto, sufficient moneys for the payment thereof to the date of the tender of such payment; or

(3) If CLEMSON shall elect to redeem the BONDS or ADDITIONAL BONDS prior to their stated maturities, and shall have irrevocably bound and obligated itself to give notice of redemption thereof in the manner provided by the RESOLUTION OF 1966 and shall have deposited with the PAYING AGENT, in an irrevocable trust, the aggregate of all sums to become due on the BONDS or ADDITIONAL BONDS to the first available redemption date, by way of principal, interest and redemption premium (if any). And if CLEMSON, having elected to redeem the BONDS or ADDITIONAL BONDS prior to their stated maturities, shall have complied with the conditions set forth in the preceding sentence of this paragraph (3), then under such circumstances the existence of, or the debt service requirements of, such BONDS or ADDITIONAL BONDS shall be disregarded in determining whether CLEMSON shall comply with the provisions of ARTICLE V relating to the issuance of ADDITIONAL BONDS.

Section 21.02

Any moneys which at any time shall be deposited with the PAYING AGENT, by or on behalf of CLEMSON, for the purpose of paying and discharging any BONDS, ADDITIONAL BONDS, or coupons, shall be and are hereby assigned, transferred and set over to the PAYING AGENT in trust for the respective HOLDERS of the BONDS, ADDITIONAL BONDS or coupons, and such moneys shall be and are hereby irrevocably appropriated to the payment and discharge thereof. But if, through lapse of time or otherwise, the HOLDERS of said BONDS, ADDITIONAL BONDS or coupons shall no longer be entitled to enforce payment of their obligations, then, in such event, it shall be the duty of the PAYING AGENT to forthwith return said funds to CLEMSON.

Section 21.03

CLEMSON covenants and agrees that any moneys which it shall deposit with the PAYING AGENT shall be deemed to be deposited in accordance with, and subject to, the applicable provisions of this ARTICLE.

ARTICLE XXIIIMMEDIATE ESTABLISHMENT OF DEBT SERVICE
RESERVE FUNDSection 22.01

Prior to the issuance of any BONDS, the TRUSTEES shall select a CORPORATE TRUSTEE and deliver to such CORPORATE TRUSTEE cash or securities with the qualifications prescribed by Section 6.03, having a value of not less than \$200,000, which shall be deposited in the DEBT SERVICE RESERVE FUND.

ARTICLE XXIIITENOR OF OBLIGATIONSSection 23.01

Every covenant, undertaking and agreement made on behalf of CLEMSON by the TRUSTEES, as set forth in the RESOLUTION OF 1966, is made, undertaken, and agreed to, for the proper securing of the payment of the principal of and interest on the BONDS and ADDITIONAL BONDS. Each shall be deemed to partake of the obligation of the contract between CLEMSON and the BOND-HOLDERS and shall be enforceable accordingly.

ARTICLE XXIVSAVING CLAUSESection 24.01

If any section, paragraph, clause or provision of the RESOLUTION OF 1966 shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of the RESOLUTION OF 1966.

ARTICLE XXV

REPEALING CLAUSE

Section 25.01

All resolutions, or parts thereof, inconsistent herewith be, and the same are hereby, repealed to the extent of such inconsistencies.

ARTICLE XXVI

MULTIPLE EXECUTION

Section 26.01

The RESOLUTION OF 1966 has been prepared and is being executed in several counterparts, each of which is an original and all of which are identical. Each counterpart so executed shall be deemed an original of the RESOLUTION OF 1966 and all counterparts thereof are to be deemed but one instrument.

DONE IN MEETING DULY ASSEMBLED this _____ day
of _____, A. D. 1966.

President of the Board of Trustees
of Clemson University.

(SEAL)

Attest:

Secretary of the Board of Trustees
of Clemson University.

Item 4. Temporary Borrowing in Anticipation of Issuance of Revenue Bonds

Statement: \$880,000 is required to re-purchase Faculty Revenue Bonds of 1950 now outstanding. A saving will be realized by this action. The loan of the sum required will be repaid from the sum realized from the sale of

revenue bonds in January, 1967.

Board Action: On motion of Mr. Robert R. Coker, seconded by Mr. Paul Quattlebaum, Jr., the following resolution was unanimously adopted with ten (10) members present and voting for adoption:

A RESOLUTION
PROVIDING FOR TEMPORARY BORROWING PURSUANT TO
ACT NO. 116 OF THE ACTS OF 1965 IN ANTICIPATION OF
THE ISSUANCE OF BONDS BY CLEMSON UNIVERSITY.

BE IT RESOLVED BY THE BOARD OF TRUSTEES OF CLEMSON
UNIVERSITY (the Board) IN MEETING DULY ASSEMBLED:

SECTION 1.

It is hereby found and determined:

1. That Clemson University (Clemson) is duly empowered to issue Student and Faculty Housing Revenue Bonds (Revenue Bonds) pursuant to Act No. 456 of the Acts of the General Assembly of the State of South Carolina for the year 1961, Approved March 29, 1961, as amended by Acts enacted at the 1966 Session of the General Assembly of the State of South Carolina, bearing Ratification Numbers R-924 and R-1174 (the Bond Act).

2. Revenue Bonds pursuant to the Bond Act may be issued both for the purpose of acquiring additional facilities and for the purpose of refunding outstanding Revenue Bonds of Clemson payable from all or any portion of the revenues of such facilities.

3. The Board has by Resolution duly adopted made provision for the issuance of Revenue Bonds pursuant to the Bond Act as follows:

(a) SERIES A in principal amount of \$2,670,000, dated July 1, 1966, which will refund, through the process of exchange a like amount of bonds held by the Retirement System of the State of South Carolina (the effect of this refunding would simply advance the maturity date of the outstanding bonds from September 1 to July 1 and the interest payment dates from March 1 and September 1 to January 1 and July 1), to be issued on or before December 1, 1966.

(b) SERIES B in principal amount of \$4,200,000, which would provide funds for the payment and retirement of all other Revenue Bonds of Clemson now outstanding, which are payable from the revenues of the facilities, to be issued on or before December 1, 1966;

- (c) SERIES C in principal amount of \$1,300,000, whose proceeds would finance the cost of two dormitories now substantially complete, which are to be sold to the Department of Housing and Urban Development of the United States Government; and
- (d) SERIES D in principal amount of \$2,300,000, whose proceeds would pay the cost of constructing and equipping a new dormitory now under construction, to be sold in 1967.

4. Included in the outstanding Revenue Bonds which Clemson would refund are the outstanding \$1,054,000 of an original issue of \$2,500,000 Faculty Housing Revenue Bonds, dated September 1, 1950 (the Bonds of 1950), bearing interest at the rate of 3% per annum, and which mature:

- \$110,000 on September 1 in the year 1967;
- \$113,000 on September 1 in the year 1968;
- \$117,000 on September 1 in the year 1969;
- \$121,000 on September 1 in the year 1970;
- \$125,000 on September 1 in the year 1971;
- \$128,000 on September 1 in the year 1972;
- \$132,000 on September 1 in the year 1973;
- \$136,000 on September 1 in the year 1974; and
- \$140,000 on September 1 in the year 1975.

Such bonds were issued pursuant to a Resolution adopted by the Board on the 12th day of September, 1950 (the Resolution of 1950) and are publicly held.

5. Arrangements have been made for the re-purchase and payment of such bonds on September 28, 1966 at that price which would result in the bonds bearing interest at 4%, if they should be held to their respective maturities, plus accrued interest to such date. Such re-purchase and payment will result in a saving to Clemson in excess of \$60,000.

6. Available for the payment of such bonds are moneys in the Bond Fund and Cushion Fund established for these bonds, estimated to be in the neighborhood of \$150,000, in the form of cash and securities held by The Citizens and Southern National Bank of South Carolina (successor to Peoples National Bank of Rock Hill), Custodian pursuant to the Resolution of 1950. Additional funds, approximating \$880,000, are required to effect the re-purchase and payment of the Bonds of 1950.

7. To raise this sum the Board proposes to sell Notes issued in anticipation of the issuance of Bonds of Series B to the extent of \$880,000.

8. Tentative arrangements have been made with four banks, viz., The Citizens and Southern National Bank of South Carolina, The South Carolina National Bank, The First National Bank of South Carolina, and State Bank and Trust Company (the Banks) to purchase the \$880,000 of Notes, to bear interest at 4% per annum and to mature on January 28, 1967, or on the occasion of the issuance of the Bonds of Series B, whichever shall first occur.

9. No previous borrowing has been effected in anticipation of the issuance of any bonds of Series B, notwithstanding that \$975,000 have been issued in anticipation of bonds of Series C.

10. This Resolution is adopted for the purpose of
 - (a) making provision for the purchase and retirement of \$1,054,000 Revenue Bonds, dated September 1, 1950;
 - (b) authorizing and directing the Custodian established by the Resolution of 1950 to convert into cash all investments in the Cushion Fund and to apply the proceeds thereof, other moneys in the Cushion Fund, and moneys in the Bond Fund to the payment of the obligation of Clemson in connection with the re-purchase of the Bonds of 1950;
 - (c) directing the Trustee appointed pursuant to the Resolution of 1950 to return to Clemson all moneys and securities held in the Special Reserve Fund established by the Resolution of 1950; and
 - (d) implementing the approval heretofore given by the State Budget and Control Board of South Carolina to
 - (i) the action proposed to be taken by the Board in connection with the re-purchase and payment of the Bonds of 1950;
 - (ii) its proposed action to effect the issuance of \$4,200,000 Student and Faculty Housing Revenue Bonds, Series B;
 - (iii) its proposed sale of the \$4,200,000 Student and Faculty Housing Revenue Bonds, Series B, to the State Budget and Control Board, as Trustee of the funds of the South Carolina Retirement System;
 - (iv) effect the issuance of \$880,000 of Bond Anticipation Notes to be issued pursuant to Act No. 116 of the Acts of the General Assembly of the State of South Carolina for the year 1965 (Act No. 116) in the amount of \$880,000; and
 - (v) its sale of such Notes to the Banks, under the terms and conditions above set forth.

SECTION 2.

All of the outstanding \$1,054,000 Faculty Housing Revenue Bonds of Clemson, dated September 1, 1950, shall be purchased by Clemson at a price which would result in the bonds bearing interest at 4%, if they should be held to their respective maturities, plus accrued interest to such date, on September 28, 1966, or as soon thereafter as may be practicable.

SECTION 3.

To effect the payment of the purchase price of such bonds there shall be applied all moneys in the Bond Fund, all moneys in the Cushion Fund,

and the proceeds of the sale of all securities in the Cushion Fund established for such bonds pursuant to the Resolution of 1950, and so much of the proceeds of the Bond Anticipation Notes herein authorized as shall be required for such purpose.

SECTION 4.

The Citizens and Southern National Bank of South Carolina be, and it is hereby, requested, authorized and directed:

- (a) to sell all securities held by it in the Cushion Fund established for the Bonds of 1950;
- (b) to apply the proceeds derived from such sale, plus all funds in the Bond Fund and Cushion Fund to the payment of the purchase price of the Bonds of 1950; and
- (c) to return to Clemson all securities and cash held by it in the Special Reserve Fund established for the Bonds of 1950.

SECTION 5.

Pursuant to Act No. 116 and for the purpose of raising moneys to be expended for the purposes permitted by the Bond Act, Clemson shall borrow the sum of \$880,000, to be evidenced by a Note of Clemson in the form attached to this Resolution as Exhibit A. Said Note shall be expressed to mature on the 28th day of January, 1967, and shall bear interest at the rate named by the purchaser thereof, payable on maturity, but the right shall be reserved to Clemson to repay the Note, both principal and interest, in full on the date of the delivery of any bonds pursuant to the Bond Act at par, plus interest to such redemption date.

SECTION 6.

To secure the payment of the Note, both principal and interest, so much of the proceeds of the \$4,200,000 of bonds to be issued pursuant to the Bond Act, as are required therefor, are hereby pledged, and the Treasurer of Clemson shall be duly notified of this action and directed and authorized to utilize the proceeds of bonds issued pursuant to the Bond Act to effect such payment.

SECTION 7.

The said Note shall be duly executed by the President of the Board, attested by the Secretary of the Board, under the Seal of Clemson. Thereupon the same shall be delivered upon receipt of the proceeds thereof.

SECTION 8.

The proceeds of said Note shall be deposited with the Treasurer of Clemson in a special fund, and shall be applied to the purposes for which bonds are authorized pursuant to the Bond Act. Provided, that the purchaser of said Note shall not be responsible for the proper application of the proceeds thereof.

SECTION 9.

In order to provide for the payment of the principal and interest of the said Note, the Board covenants and agrees to exercise its authorization pursuant to the Bond Act on or before the maturity date of the said Note, and to issue and sell, pursuant to the said Bond Act, sufficient bonds to provide for the payment of the principal and interest of the said Note.

SECTION 10.

The arrangements heretofore negotiated with the Banks to purchase the Note at a price of par and accrued interest, if any, to the date of its delivery, and to bear interest at 4%, be, and the same is hereby ratified, approved and confirmed, and the Note shall be executed and delivered accordingly.

SECTION 11.

A copy of this Resolution, duly certified, shall be delivered to the State Budget and Control Board to formally evidence the action to be taken by Clemson in connection with the purchase of the Bonds of 1950, the issuance and sale of bonds of Series B in the amount of \$4,200,000, and the issuance of a Bond Anticipation Note in the principal sum of \$880,000.

SECTION 12.

A certified copy of this Resolution shall be delivered to The Citizens and Southern National Bank of South Carolina as a means of requesting, authorizing and directing that institution to make the dispositions called for by this Resolution with respect to the Bond Fund and Cushion Fund established for the Bonds of 1950, and to return the cash and securities in the Special Reserve Fund established for such bonds to Clemson.

SECTION 13.

Inasmuch as the Special Reserve Fund consists of securities resulting from a bequest under the Will of the late Claude W. Kress, which requires that the same be used for purposes of Clemson, the same shall be held subject to the further order of the Board for purposes germane to such bequest.

SECTION 14.

Upon the acquisition by Clemson of the \$1,054,000 of bonds dated September 1, 1950, above described, it shall be the duty of the proper officers of Clemson to authorize and direct The Citizens and Southern National Bank of South Carolina to cremate and destroy the same, in order that they may no longer be subject to transfer or hypothecation.

SECTION 15.

If any balance shall remain in the special fund prescribed for the proceeds of the Bond Anticipation Note herein authorized, after applying so much thereof as may be required for the purchase and retirement of the \$1,054,000 of bonds dated September 1, 1950, above described, the same shall be forthwith applied, if the Bnaks shall so agree, to the partial payment of the Note herein authorized to be issued.

EXHIBIT A

UNITED STATES OF AMERICA
STATE OF SOUTH CAROLINA
COUNTIES OF OCONEE AND PICKENS
CLEMSON UNIVERSITY
BOND ANTICIPATION NOTE
ISSUED PURSUANT TO ACT NO. 116
OF THE ACTS OF 1965

\$880,000

NO. 1

CLEMSON UNIVERSITY, in the STATE OF SOUTH CAROLINA, hereby acknowledges itself indebted, and, for value received, promises to pay to or upon the order of

THE CITIZENS AND SOUTHERN NATIONAL BANK OF SOUTH CAROLINA

the sum of EIGHT HUNDRED EIGHTY THOUSAND DOLLARS (\$880,000) on the 28th day of January, 1967, and to pay interest on said principal sum from the date hereof, at the rate of four per centum (4%) per annum, payable upon the maturity of this Note.

Both the principal of and interest on this Note are payable in any coin or currency of the United States of America, which is, at the time of payment, legal tender for the payment of public and private debts, at the principal office of the named payee hereof, in the City of Columbia, South Carolina.

THIS NOTE is issued pursuant to a Resolution duly adopted by the Board of Trustees of Clemson University and a Resolution of the State Budget and Control Board of South Carolina approving such action, for the purpose of borrowing in anticipation of the issuance of bonds, pursuant to Act No. 116 of the Acts of the General Assembly of the State of South Carolina for the year 1965.

THIS NOTE and the interest hereon are exempt from all State, County,

Municipal, School District and all other taxes or assessments of the State of South Carolina, direct or indirect, whether imposed for the purpose of general revenue or otherwise, except inheritance, estate or transfer taxes.

It is hereby certified and recited that all acts, conditions and things required by the Constitution and Laws of the State of South Carolina to exist, to happen, or to be performed, precedent to or in the issuance of this Note, do exist, have happened and have been performed in regular and due time, form and manner.

IN WITNESS WHEREOF, the undersigned, pursuant to the authorizations of Act No. 116 of the Acts of 1965, and a resolution duly adopted by the Board of Trustees of Clemson University, have caused these presents to be executed in the name of and on behalf of said Clemson University, and the Seal of the said University to be affixed hereto, this 28th day of September, A. D. 1966.

President of the Board of Trustees
of Clemson University.

(SEAL)

Attest:

Secretary of the Board of Trustees
of Clemson University

Item 5. Authorization to Apply Unobligated Funds to Bonds Issued Pursuant to the Resolution of 1966

Statement: Unobligated funds may become available which can be applied to outstanding revenue bond obligations or the operation and maintenance of facilities financed by such bonds. Authorization is required to apply such funds to these purposes.

Board Action: On motion of Mr. Robert R. Coker, seconded by Mr. Paul Quattlebaum, Jr., the following resolution was unanimously adopted with ten (10) members present and voting for adoption:

BE IT RESOLVED BY THE BOARD OF TRUSTEES IN MEETING
DULY ASSEMBLED:

That in addition to the rental revenue pledged for the payment of principal and interest on BONDS or ADDITIONAL BONDS issued pursuant to the RESOLUTION OF 1966 such funds from any sources not otherwise obligated as may be available from time to time may be applied to the expense of operation, maintenance, repair, or improvement of the FACILITIES as defined in the RESOLUTION OF 1966, or to the payment of principal and interest due or to become due in accordance with the terms of the BONDS or ADDITIONAL BONDS.

Item 6. Statutory Roll Call Vote

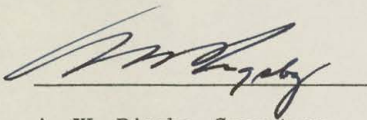
Resolution: RESOLVED that all measures and recommendations made at this, the September 21, 1966 meeting, which according to the By-Laws, require a roll call vote of nine or more members, be hereby adopted and confirmed, and that the Vice President for Business and Finance and Comptroller be authorized to issue his checks for all expenditures authorized at this meeting.

Board Action: The resolution was unanimously adopted with ten members present and voting "aye."

Item 7. Adjournment

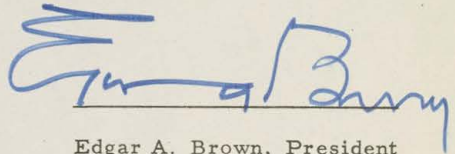
There being no further business, the meeting was adjourned.

CORRECT:



A. W. Rigsby, Secretary

APPROVED:



Edgar A. Brown, President